



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
William F. Sherry, A.A.E.

SUBJECT: SEE BELOW

DATE: 05-22-06

Approved

Date

6-06-06

COUNCIL DISTRICT: Citywide

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE FORMER
FMC SITE CLEARING AND PREPARATION PROJECT**

RECOMMENDATION

Report on bids and award of contract for the Former FMC Site Clearing and Preparation Project to the low bidder, HSR, Inc., in the amount of \$1,003,180, and approval of a contingency in the amount of \$100,000.

CEQA: Resolution Nos. 71716, 67380 and 71451, PP 06-008.

OUTCOME

This project will provide a clear, graded site that is ready for future Airport development improvements.

BACKGROUND

The project is located on Coleman Avenue at a 52-acre site formerly owned by FMC, used to manufacture and test military vehicles. The City Financing Authority purchased the site in February 2005, and now it is being leased by the City for interim Airport uses. When the site was purchased, it contained several buildings ranging from 1,600 to 89,000 square feet, a 3-acre vehicle submersion test pond, a test track surrounding the pond and miscellaneous industrial support facilities such as pump houses and large electrical transformer cabinets. In order to create a property more suitable for development and minimize safety concerns, the site needs to be cleared and leveled.

Clearing and leveling the former FMC site is being accomplished in two phases. Phase one consists of demolishing all buildings on site and was completed through the Department of Public Work's Job Order Contract with Bianchi Construction. Phase two, the FMC Site Clearing and Preparation Project involves backfilling the large pond, removing the elevated portions of the test track and earthwork related to leveling the site for future development.

This project will include the following: clearing and grubbing, removing debris, draining the water in the pond, demolishing approximately 14,500 square yards of concrete pond liner, demolishing approximately 2,000 linear feet of concrete wall, dewatering the groundwater under the pond, excavating approximately 31,000 cubic yards of soil from the areas surrounding the pond, backfilling the pond and capping the area with approximately 2" of aggregate.

The project will start construction in July and is scheduled for completion in September 2006.

ANALYSIS

Bids for this project were opened on May 4, 2006, with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Bianchi-Amaker Construction (San José)	\$2,174,691	\$568,691	35
Engineer's Estimate	\$1,606,000	---	---
Ferma Corporation (Mountain View)	\$1,487,500	(\$118,500)	(7)
Soil Enterprises (Byron)	\$1,484,444	(\$121,556)	(8)
Joseph J. Albanese, Inc. (Santa Clara)	\$1,279,308	(\$326,692)	(20)
Evans Brothers, Inc. (Livermore)	\$1,248,000	(\$358,000)	(22)
O'Grady Paving, Inc. (Mountain View)	\$1,220,000	(\$386,000)	(24)
HSR, Inc. (Santa Clara)	\$1,003,180	(\$602,820)	(38)

The low bid submitted by HSR, Inc., is 38 percent under the Engineer's Estimate. This low bid can be attributed to the current highly competitive environment for this type and size of a project. Bid documents were evaluated and found to be in order.

Prior to the City Financing Authority's purchase of this site, FMC completed a major contamination clean up. However, because of its large size, there is the possibility of isolated chemical residual remaining. Council Policy provides for a standard contingency of 10 percent on public works building projects. The standard contingency is appropriate for this project. The funds budgeted for this project are sufficient to provide for the recommended contingency.

Staff is currently investigating potential land use opportunities, both short and long term, for the property acquired from FMC. Staff anticipates returning to Council by the end of the year to present the most appropriate recommendations.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

The project bid was listed on the Airport web page, the City Internet Bid Line and advertised in the *San José Post Record* as required by the City Charter. Bids packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Departments of Planning, Building and Code Enforcement and Environmental Services, FMC and the State of California Department of Toxic and Substance Control.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$1,003,180

2. COST OF PROJECT:

Project Delivery	\$ 347,820
Construction	1,003,180
Contingency	<u>100,000</u>
TOTAL PROJECT COST	\$1,451,000

3. SOURCE OF FUNDING: 526 (547) - Airport Revenue Bond Improvement Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

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BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Contract Amount	2006-07 Proposed Capital Budget	Last Budget Action (Date, Ord. No.)
526	6953	FMC Site Reuse Preparation	13988X	\$16,277,000	1,003,180	V-831	10/18/05 Ord No. 27580
Total				\$16,277,000	1,003,180		

CEQA

CEQA: Resolution Nos. 71716, 67380 and 71451, PP 06-008.



KATY ALLEN

Director, Public Works Department



WILLIAM F. SHERRY, A.A.E.

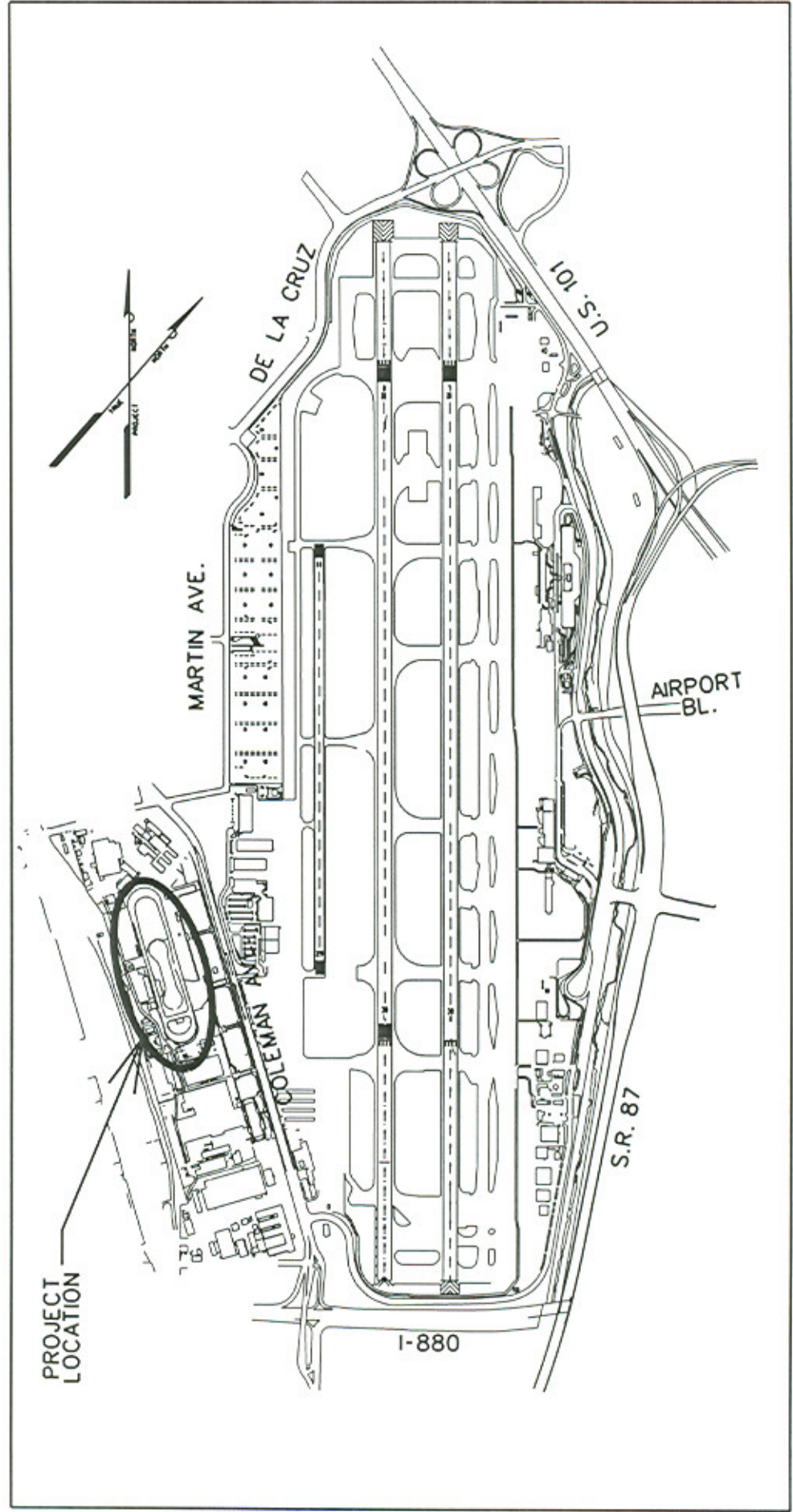
Director of Aviation
Airport Department

For questions please contact HARRY FREITAS, ACTING DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at (408) 535-8300.

hf:tl

EXHIBIT 'A'

FORMER FMC SITE
CLEARING & PREPARATION



LOCATION MAP